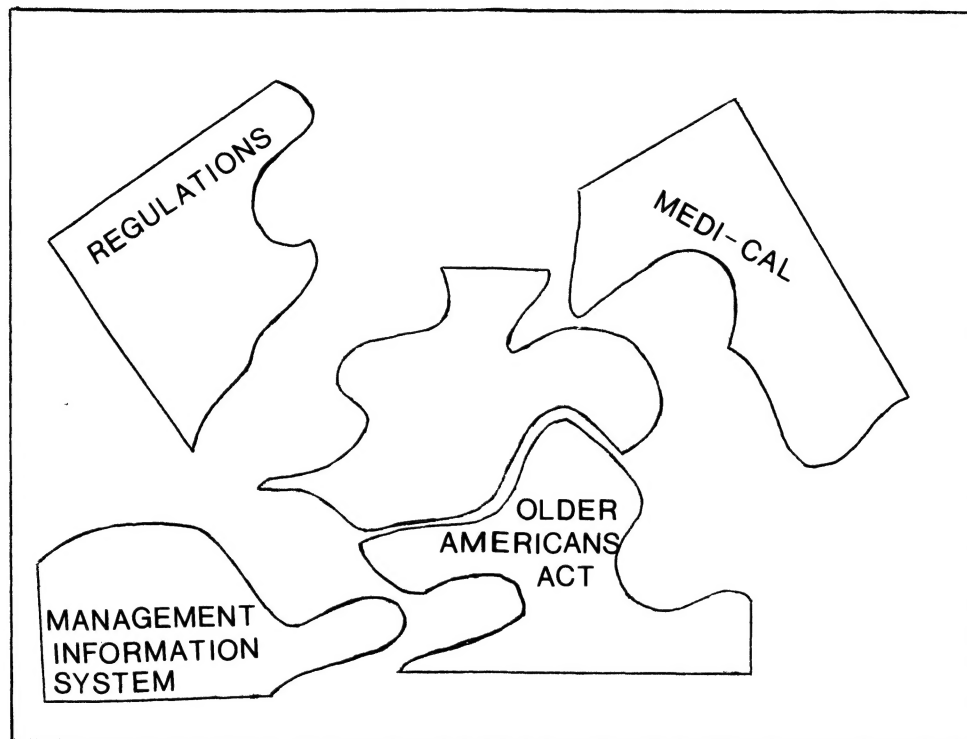




Joint Legislative Audit Committee
Office of the Auditor General



REPORT TO THE CALIFORNIA LEGISLATURE



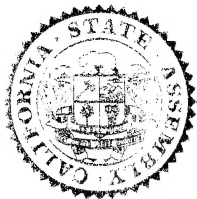
AN UPDATED REVIEW OF THE IN-HOME SUPPORTIVE SERVICES PROGRAM DEPARTMENT OF HEALTH

Office of the Auditor General
1955 - 1977

REPORT OF THE
OFFICE OF THE AUDITOR GENERAL
TO THE
JOINT LEGISLATIVE AUDIT COMMITTEE

733

AN UPDATED REVIEW
OF THE
IN-HOME SUPPORTIVE SERVICES PROGRAM
DECEMBER 1977



Joint Legislative Audit Committee

OFFICE OF THE AUDITOR GENERAL

California Legislature



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December 9, 1977

The Honorable Speaker of the Assembly
The Honorable President pro Tempore of the Senate
The Honorable Members of the Senate and the
Assembly of the Legislature of California

Members of the Legislature:

Your Joint Legislative Audit Committee respectfully submits the Auditor General's follow-up report on 1975 and 1976 reviews of the In-Home Supportive Services Program administered by the State Director of Health.

The Director reports that 21 months after the 1975 legislative report, his staff was augmented in order to address the legislative concerns. However, eight months into the period a deputy director testified that program regulations would be promulgated five months later. The Department's report to the State Legislature two months later echoed this prediction. Meanwhile, the Department advised the federal Department of Health, Education and Welfare to expect a three month delay. When that deadline had passed, the Department's Work Plan, dated October 18, 1976, called for promulgation by March 28, 1977. The most recent representation is January 10, 1978. The program was created in 1973 and serves 73,000 clients who apparently should lower their expectations.

By copy of this letter, the Department is requested to advise the Joint Legislative Audit Committee within sixty days of the status of implementation of the recommendations of the Auditor General that are within the statutory authority of the Department.

The auditors are Harold L. Turner Audit Manager; Robert E. Christophel.

Respectfully submitted,

MIKE CULLEN
Chairman

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SUMMARY

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The Joint Legislative Audit Committee requested that we conduct a follow-up review of the Department of Health's administration of the In-Home Supportive Services Program (formerly known as the Homemaker-Chore Services Program). We conducted two previous management reviews of this program in June 1975 and November 1976.

Problems identified in our initial review in 1975 and in our updated review in 1976 still exist, nearly two and one-half years later. Specifically,

- A comprehensive management information system has not yet been implemented
- In-home supportive services regulations have not yet been adopted
- Only limited use has been made of available Older Americans Act funding
- The total fiscal impact of Title XIX (Medicaid) funding has not been determined.

We recommend that the Department of Health prepare a report on the solutions to these problems and their implementation and submit it to the Joint Legislative Audit Committee and the Assembly Ways and Means Committee by March 31, 1978 (see page 14).

Implementing this recommendation would assure the Legislature that the Department of Health is appropriately exercising its management responsibilities related to the In-Home Supportive Services Program.

INTRODUCTION

In response to a resolution of the Joint Legislative Audit Committee, we have conducted a follow-up review of the Department of Health's administration of the In-Home Supportive Services Program (formerly known as the Homemaker-Chore Services Program). This review was conducted under the authority vested in the Auditor General by Section 10527 of the Government Code. We conducted two previous management reviews of this program in June 1975 and November 1976.*

The In-Home Supportive Services (IHSS) Program was created in 1973 to provide in-home supportive services to certain infirm aged, blind or disabled adults. In-home supportive services include housekeeping services, meal preparation services and nonmedical personal services, such as assistance with personal hygiene. The purpose of the program is to provide recipients with the supportive services necessary to enable them to continue residing in their own homes or to move out of institutions, if appropriate. A deputy director of the Department of Health said that as of September 30, 1977, the program served approximately 73,000 clients. This represents a seven percent increase over the previous year.

* A Management Review of the Homemaker-Chore Services Program, June 1975; and An Updated Review of the Homemaker-Chore Services Program, November 1976.

The program is administered by county welfare departments which are responsible for assessing applicants' needs for services, arranging delivery of needed services and periodically reassessing the continuing need for program services. The county welfare departments' activities are supervised by the In-Home Supportive Services Branch of the Department of Health.

As of February 1, 1977, 41 positions were authorized to the In-Home Supportive Services Branch. In the ensuing months several positions were deleted as a result of legislative action or were redistributed within the division in a move to centralize support functions. The branch currently includes 26 positions.

There have been recent changes in management within the Department. In May 1977 a new deputy director was appointed to head the Social Services Division. In late August 1977 a new branch chief was assigned to head the In-Home Supportive Services Branch. In November 1977 the branch chief resigned.

Program Cost

The program cost is shared 25 percent by state and local governments and 75 percent by the Federal Government subject to a maximum federal allocation. Estimated total program costs for fiscal year 1976-77 were \$112.8 million, which is in excess of the amount permitting 75 percent federal participation. Unmatched state costs for

fiscal year 1976-77, therefore, amounted to approximately \$27.8 million. Total state costs were \$49 million. Appendix A presents a summary of federal-state-county funding for fiscal years 1975-76 and 1976-77 and shows the unmatched funding in each of these years.

The projected program cost for fiscal year 1977-78 is \$154 million, a 36.5 percent increase over the previous fiscal year. Department officials attribute increased program costs to increases in the minimum wage, caseloads, hours of service provided and contract costs, state participation in Workers' Compensation for services providers and projected cost impact of new regulations. In the future, program costs may further increase if Federal Unemployment Insurance is included for providers of program services.

CURRENT STATUS OF IN-HOME
SUPPORTIVE SERVICES PROGRAM

It has been one year since the release of the Auditor General's Report Number 294, An Updated Review of the Homemaker-Chore Services Program. Program conditions reported then remain essentially unchanged:

- A comprehensive management information system has not yet been implemented
- In-home supportive services regulations have not yet been adopted
- Only limited use has been made of available Older Americans Act funding
- The total fiscal impact of Title XIX (Medicaid) funding has not been determined.

Management Information System

An in-home supportive services management information system is mandated by federal regulations to effectively monitor county operations, to assess program regulations and to detect potential program problems. The Department of Health does not yet have such a system.

The Department of Health's Work Plan, dated October 18, 1976, specified that one of the homemaker-chore management objectives was to complete a social services reporting system by July 1977. In October 1977, the deputy director of the Social Services Division again stated that the establishment of an in-home supportive services information system is one of the Department's major goals (reference Appendix B).

The only information the Department currently receives is a tabulation of the number of clients receiving services and the cost of providing these services, which comes from the quarterly claims submitted by the counties.

The Department has recently requested the counties to complete a monthly report which will be used to generate statewide information on caseload, cost of service and hours of service provided (Appendix C). A department official stated that this information will be available in January 1978.

Divisional long-term goals include statewide implementation of the social service information system (now in project form). Department officials stated this system would provide detailed information on client characteristics and status, program status, services provided, method of delivery, etc., for all social services programs. Pilot tests on this system are to be completed by June 1979.

In-Home Supportive Services Regulations

The Department of Health is responsible for developing regulations which will provide for effective administration of the In-Home Supportive Services Program by counties. The Department has not yet released these regulations.

The absence of appropriate in-home supportive services regulations results in a wide variance among county operations, such as the amount of service a client will receive and the lack of uniform evaluations of client needs.

The Department has continually failed to meet its own timetables as evidenced by the following:

- In February 1976, the deputy director of the Social Services Division testified that in-home supportive services regulations should become effective on July 1, 1976
- The State Department of Health's "Report to the State Legislature . . ." dated April 1, 1976 also stated that the planned implementation date for these regulations would be July 1976

- In June 1976, the Department stated to the U. S. Department of Health, Education, and Welfare (HEW) that regulations would become effective no later than October 1, 1976
- The Department's Work Plan, dated October 18, 1976, indicated new regulations that would provide the foundation for improved management control would be implemented by March 28, 1977.

The Department's most recent estimates for implementation of these regulations are as follows:

<u>Action</u>	<u>Estimated Completion Date</u>
Regulations modified if appropriate and filed with the Secretary of State	December 10, 1977
County welfare department training on new regulations	December 12 through December 16, 1977
Regulations become effective	January 10, 1978

If the in-home supportive services regulations are implemented in January 1978, the Department will have taken over two and one-half years since our first report and four years since the inception of the program to implement these regulations. Since September 1976, the Department has prepared seven draft revisions of the in-home supportive services regulations. A chronology of the Department's efforts to redraft and issue these regulations is presented in Appendix D.

Use of Older Americans Act Funds

The overall objective of Title III of the Older Americans Act is to develop at the community level a system of coordinated and comprehensive social services for the elderly. These services include transportation, information, and referral, legal and counseling services. Title VII of the Older Americans Act provides nutrition services, such as "Meals on Wheels" and "Congregate Meal Sites." The Department of Aging is responsible for allocating Older Americans Act funds in California.

On August 5, 1976, the Directors from the Department of Aging and the Department of Health entered into an interagency agreement:

. . . To promote programs and activities designed to bring about maximum possible coordination of planning activities at the state and local levels between the agencies administering Title XX of the Social Security Act and Titles III and VII of the Older Americans Act.

There has been only limited use of Older Americans Act monies to supplement the In-Home Supportive Services Program. A Department of Health preliminary survey of 15 counties showed that in seven counties approximately 15 percent of in-home supportive services clients receive their meals under Title VII (Older Americans Act) nutrition programs. In Los Angeles County only about one percent of the in-home supportive services clients receive Title VII meals. The remaining seven counties have not developed the reporting procedures necessary to identify in-home supportive services clients receiving Title VII meals.

The Department of Health does not currently know the percentage of in-home supportive services clients who are receiving Title VII meal services. Department officials indicate that they are developing a system to identify this population.

Confusion exists between the Departments of Health and Aging concerning the use of Older Americans Act monies for clients of in-home supportive services. In a letter from the Department of Health to the Los Angeles County Department of Public Social Services, the Department mandated agencies to give priority to serving in-home supportive services clients in its nutrition programs.

The Department of Aging indicated that it does not agree with the requirement to place priority on in-home supportive services. According to 45 CFR 909, Department of Aging Title VII projects must give meal service priorities to those persons who:

- Cannot afford to eat adequately
- Lack the skills and/or knowledge to select and prepare nourishing and well-balanced meals
- Have limited mobility which may impair their capacity to shop and cook for themselves
- Have feelings of rejection or loneliness which obliterate the incentive necessary to prepare and eat a meal alone.

This disagreement has effectively inhibited the use of Older Americans Act monies to supplement the In-Home Supportive Services Program. Specifically, during the period July 1972 through June 1976 the Department of Aging had spent about \$39 million of the \$66 million which had been authorized through the Older Americans Act, leaving a cumulative unexpended balance of about \$27 million. Some of these funds could have been used to supplement the In-Home Supportive Services Program.

In our November 1976 report we noted that the Department of Health was moving forward on a demonstration project in Santa Clara County to coordinate Title VII meal preparation services by meeting the meal preparation needs of in-home supportive services clients. Demonstration project funds are available for this project, but to date the Department has not established how these funds are to be used. Consequently, the program is still, one year later, in the developmental stage.

Use of Title XIX (Medicaid) Funds

In our June 1975 report we recommended that the Department of Health use available Title XIX monies used in California's Medi-Cal programs to supplement the In-Home Supportive Services Program. The Department has indicated that there are problems associated with using these funds.

In a letter to the Secretary of the U. S. Department of Health, Education, and Welfare, dated September 29, 1977, the Secretary of California's Health and Welfare Agency expressed concern over the lack of coordination of the services authorized through Title XX (Social Services) and Title XIX (Medicaid) and identified some of the specific problems related to them. The Secretary also requested that changes be made in federal Medicaid (Medi-Cal) regulations which would allow more appropriate use of the Title XIX funds. Proposed changes include allowing Title XIX funds to be used to pay relative providers, allowing clients to receive direct pay and including services under the coverage (Appendix F). As of November 29, 1977, a response to this letter had not been received.

Since in-home supportive services clients are also Medi-Cal beneficiaries, efforts are being made to better coordinate services provided through the two programs. To accomplish this, divisions within the Department of Health are considering the following alternatives:

- Funding additional medical transportation through Medi-Cal
- Expanding home health care programs as an alternative to institutionalization
- Coordinating services available through adult day health care programs with county in-home supportive services programs.

CONCLUSIONS

Problems identified in our initial review of the In-Home Supportive Services Program in 1975 still exist, nearly two and one-half years later.

The deputy director of the Social Services Division has indicated that action is being taken to correct these problems.

RECOMMENDATION

We recommend that the Department of Health prepare a report on the proposed solutions and their implementation and submit it to the Joint Legislative Audit Committee and the Assembly Ways and Means Committee by March 31, 1978.


Specifically, the Department of Health should address:

- Implementation of a comprehensive management information system
- Issuance of in-home supportive services regulations
- Use of Older Americans Act funding to supplement the In-Home Supportive Services Program
- Feasibility of using Medi-Cal funding to supplement the In-Home Supportive Services Program.

BENEFIT

Implementing this recommendation would assure the Legislature that the Department of Health is exercising its management responsibilities related to the In-Home Supportive Services Program.

Respectfully submitted,



JOHN H. WILLIAMS
Auditor General

December 6, 1977

Staff: Harold L. Turner, Audit Manager
Robert E. Christophel

DEPARTMENT OF HEALTH

714-744 P STREET

SACRAMENTO, CALIFORNIA 95814

(916) 222-6220



December 5, 1977

John W. Williams
Auditor General
Joint Legislative Audit Committee
925 L Street
Sacramento, CA 95814

Dear Mr. Williams:

I appreciate the opportunity to respond to the findings and recommendations of the draft report on the In-Home Supportive Services Program. In general, the report is accurate in that the Department has not implemented a comprehensive management information system, that regulations have not been promulgated, use of Older Americans Act funding is limited, and the feasibility of using Title XIX remains a question.

However, there is one key point which should be addressed to understand these criticisms in perspective. That is, to deal with the inadequacies and problems as noted by this and other earlier studies of the program, the Department sought and received a staff augmentation in February of this year. Thus, it has only been eight months since the program was authorized sufficient staff to deal with the needs of a growing and complex program. Doubly difficult was the fact new staff were faced with problems that had had almost three years to worsen since the onset of the program in 1974.

In view of this, it is not unreasonable that the Department has not yet completed the recommendations of this report. Each recommendation involves a major effort of research, analysis, development, and implementation. And while we have made estimates in the past, for example, as to when we could anticipate revised program regulations, it has been a direct result of thorough developmental work involving the consideration and assimilation and criticisms from many varied sources that we have not met some of our original timetables, and I think it has been appropriate. I am confident that by this more careful, planned approach, the IHSS Program will be a better program and more reflective of the needs and concerns of consumer, administrator, legislator, and taxpayer alike.

A second factor I wish to mention concerns the program regulations. The regulations were forwarded to the Department of Finance in early November. At this time, they are being reviewed there before transmittal to the Joint Legislative Budget Committee for its review. Another legislative body, the

John H. Williams

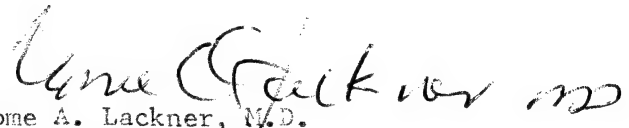
- 2 -

December 5, 1977

Assembly Ways and Means Committee, has indicated it will recommend the regulations be republished for public hearing. In essence, the effective date of the regulations is beyond our control to estimate. Optimally, these regulations could take effect early February 1978. But, it depends on agencies and committees outside the Department's purview.

In conclusion, the Department is continuing the work begun in earnest last February to accomplish the recommendations made in the report. I welcome the opportunity to elaborate on our progress in the report requested by March 31, 1978.

Sincerely,


Jerome A. Lackner, M.D.
Director of Health

SUMMARY OF FUNDS MATCHING
IN-HOME SUPPORTIVE SERVICES
FISCAL YEARS 1975-76 and 1976-77

<u>Source of Funds</u>	<u>Fiscal Year Cost</u>	
	<u>1975-76</u>	<u>1976-77</u>
Total Cost	<u>\$93,291,618</u>	<u>\$112,781,975</u>
Less Shared Costs		
75% Federal	\$48,634,673	\$ 63,750,000
25% State	16,211,556	21,250,000
Subtotal	<u>\$64,846,229</u>	<u>85,000,000</u>
Unmatched State Costs	\$21,205,347	\$ 27,781,975
Unmatched County Costs*	<u>7,240,042</u>	<u>--</u>
Total Unmatched Costs	<u>\$28,445,389</u>	<u>\$ 27,781,975</u>

*Represents state disallowance of county claims which exceeded the state allocation of homemaker-chore funds in 47 counties.

IN-HOME SUPPORTIVE SERVICES PROGRAM
GOALS AND OBJECTIVES

1. Design, implement, and evaluate a project to assess the impact of IHSS on use of out-of-home care, and continued dependence of individual IHSS recipients. (Evaluations).
2. Identify the number of IHSS providers who were formerly public assistance recipients. (Evaluations).
3. Prepare a model IFB and IHSS contract for statewide use. (Program Support Branch).
4. Establish minimum qualification and performance standards for IHSS contractors. (Program Support Branch).
5. Equalize the cost of delivering a unit of service throughout the State. (Program Support Branch).
6. Determine how well the program is meeting its objectives. (Evaluations).
7. Assess fiscal impact of new or proposed legislation, regulation, or policy. (Program Support Branch).
8. Assess degree of county and contractor compliance with program requirements. (Program Support Branch and Evaluations).
9. Provide program management with recommended policies regarding employer-employee issues at both State and county level. (Program Support Branch).
10. Develop a management information system which will enable program management to rapidly respond to activities occurring within the program which require management direction, and to accurately assess the impact of program changes which may occur. (Evaluations, Program Support Branch).

SOURCE: In-Home Supportive Services Branch, Social Services Division,
Department of Health

DEPARTMENT OF HEALTH

714-744 P STREET

SACRAMENTO, CALIFORNIA 95814

(916) 445-2174



October 19, 1977

SOCIAL SERVICES LETTER 77-44

TO: All County Welfare Directors

IN-HOME SUPPORTIVE SERVICE MONTHLY CASELOAD, HOURS AND COSTS REPORT

As you are aware, the In-Home Supportive Services (IHSS) allocation this year is based on caseload growth, average hours per case, and average cost per hour (refer to IHSS allocation letter of August 26, 1977). In order to facilitate the projection of future IHSS expenditures and to monitor present expenditures against allocated funds, statistics relating to the above components are needed on a timely basis. These statistics are also necessary to measure the cost efficiency of the various methods of delivering services, to compare services levels across counties, and to make fiscal projections of proposed program changes.

Therefore, pursuant to Section 10853 of the W&I Code, the Social Services Division of the Department of Health (DOH) is prescribing an IHSS Monthly Caseload, Hours, & Costs Reporting form and is formally requesting that it be completed by each county and returned to DOH by the 30th of the month following the month of the report.

The enclosed form has a long history of evolution. It has been through many revisions based on input from various CWDA committees and has been completed and submitted by 33 counties since May, 1977, on a voluntary basis. As a result, the final version includes many pragmatic changes designed to avoid difficulties in its completion.

This form should be available in bulk within sixty days. In the meantime, please make copies of the enclosed form in order to submit data for October and November.

Complete as many of the items as possible on the report for the month of October (due November 30). We anticipate that all counties will be able to take the necessary steps to ensure complete reporting for months subsequent to October.

We hope that you recognize our need for the information requested on this form, and we appreciate your cooperation and assistance in its creation. If you have difficulties completing it or meeting the November 30 deadline, please contact Michael Perine.

Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall be no reimbursement pursuant to this directive because the duties, obligations or responsibilities imposed on local government by this regulation are minor in nature and will not cause any financial burden on local government and the duties, obligations, or responsibilities imposed on local governmental entities by this regulation are such that related costs are incurred as a part of their normal operating procedures.

Sincerely,

A handwritten signature in dark ink, appearing to read "George Brown", with a stylized flourish at the end.

George Brown
Deputy Director for
Social Services Division

Contact Reference: Michael Perine
Resources Analysis & Audit Section
Telephone: (916) 445-2174

This letter is effective until October 28, 1978, unless sooner rescinded or superseded.

[illegible]

CHRONOLOGY OF PROPOSED IHSS REGULATIONS*

Sept. 1976 - Jan. 1977	Three drafts of IHSS regulations prepared and routed to counties, advocate representatives, and provider organizations for review and comment.
Jan 11, 1977	Final draft of regulations before public hearings. Fiscal Impact Estimate: \$19.9 to \$23.4 ¹ savings to program.
March 22, 1977	Analysis and discussion paper of 1/11 draft in view of comments/concerns/suggestions received and perceived.
April 11, 1977	Public hearing, L.A.
April 15, 1977	Public hearing, Sacramento
April 22, 1977	1st Revised draft of regs incorporating public hearing input and outcome of staff discussion of 3/22.
April 29, 1977	2nd Revised draft reflecting Director's concerns.
May 5, 1977	3rd Revised draft reflecting Agency's concerns.
June 2, 1977	4th Revised draft.
July 22, 1977	5th Revised draft. Fiscal Impact Estimate: \$5.4 ¹ Cost to Program.**
August 9, 1977	6th Revised draft. (Same fiscal impact)
October 14, 1977	7th Revised draft. Fiscal Impact Estimate: \$1.6 ¹ Cost to Program.

* It should be noted that these are the major changes to the regulations which represent completely new drafts. Dates are not shown for a number of other revisions which were considered for various key components in the regulations but were never incorporated into a revised complete set.

** Two versions are dated August 9, the second made in September has three technical strikeouts related to Medi-Cal coverage.

¹ Cost shown in millions.

SOURCE: In-Home Supportive Services Branch, Social Services Division,
Department of Health

STATE OF CALIFORNIA

HEALTH and WELFARE AGENCY

OFFICE OF THE SECRETARY
915 CAPITOL MALL, ROOM 200
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Maria G. O'Leary
SECRETARY

James H. Gannon
DEPUTY SECRETARY

Patricia G. Fisher
DEPUTY ASST. SECRETARY

September 29, 1977

Honorable Joseph Califano,
Secretary
Department of Health, Education & Welfare
200 Independence Avenue, S.W., Room 615F
Washington, D.C. 20201

Dear Mr. Califano:

The State of California and the federal government are both concerned with the increased cost of institutional care and the need to help people to live more fulfilled lives by providing the assistance they need to avoid inappropriate institutionalization and continue living in their own homes. In an attempt to further this aim, we have been trying to coordinate the provision of in-home services through Title XX and Title XIX. We feel that if we can coordinate the services authorized through Social Services and Medicaid, we can give the older and disabled persons living at home the continuum of services they need.

In our initial investigation of this joint planning, we have identified several areas in federal regulation that impede accomplishing our mutual objective.

1) Relative Providers

Relatives currently provide about 20% of the Title XX in-home supportive service being provided in California. This is some of the best, most appropriate and least costly service provided. Providing service through a relative also does not disrupt the family situation.

Federal regulations seem to be attempting to limit or prohibit the use of relative providers, a stance we feel is contrary to helping persons remain in their own homes. For example, Title XIX regulation 45 CFR 249.10 (b) (17) (Vi) prohibits relatives from providing personal care services to Medicaid recipients. This service, which is very often medical in nature, cannot therefore, be provided by the relative under Medicaid where it should be and where we could ensure appropriate supervision and training.

Another example is the recent change in Region IX policy regarding the status of income received by the spouse or parent of an SSI/SSP recipient for providing in-home supportive services to that recipient. Prior to March 1977, this income was exempt and did not have to be deemed to the recipient. Now that it is counted, it has the negative impact in many cases of forcing the spouse or parent to give up providing the services and begin receiving general assistance in order to have enough money. We have to hire another provider who may be more costly and may not provide the level or quality of services provided by the relative. We also have to pay the cost of the general assistance. All this means we are paying twice as much to support this family group and increasing the likelihood of institutionalization.

2) Direct Pay

Paying a recipient directly so that he/she can hire a provider is, we feel, an excellent method of involving the person and helping him/her maintain or obtain control over his/her circumstances. (The person is provided assistance in finding a provider if it is needed) In addition, about 20% of the persons receiving in-home supportive services in California are guaranteed direct payment by law. These are the severely impaired people, those that have the greatest need for medical type care.

Region IX has interpreted Title XIX Section 1905 (a) to mean that a payment cannot be made directly to a recipient. We feel that this section can be interpreted more liberally to allow payment to recipients, especially in light of the fact that this is allowed under the Medicare Program. This limitation makes it impossible for us to use Medicaid to provide personal and health related care in over 40% of our cases.

3) Domestic Services

In those cases where a person needs health related care, personal care, and domestic services, it is most effective and least costly to have these services provided by one person, under the supervision of a person trained to assess the medical needs of the person and through those the other needs. This is much more feasible when a single funding source is used.

In addition, domestic services are often the only services a person needs to remain out of an institution. The payment of as small an amount as \$40 a month in-home supportive services can save Medicaid \$700 a month in institutional care costs. Thus, it seems appropriate that Medicaid pay the cost of the substitute in-home care.

Region IX's stance in this area is to state that domestic services cannot be provided under Title XIX. This means that one individual will have two providers or, at best, the provider will be paid from two funding sources. If services are provided under two programs, there may not be the integration of services and supervision that would be the best for the person and the least costly to provide.

It is also our understanding that other States, for example Oklahoma, have been able to provide domestic services under Title XIX and have been able to show dramatic results in the reduction of institutionalization and increase in recovery and independence of their recipients. It seems appropriate that services available in one part of the country should be available throughout the country.

4) AFDC Coverage

Persons in need of in-home supportive services are mainly aged, blind, and disabled persons. These are the persons who would be institutionalized without the care, i.e., be a patient or inmate in an institution for a period expected to last 30 days or more. A person eligible for AFDC who would need this kind of care could in most circumstances be determined disabled.

September 29, 1977

Persons eligible for AFDC who would apply for in-home supportive services if eligible would be those persons who need or want a few days care after an injury, illness, or hospitalization. This care, while desirable, would not impact the person's institutional status. For these reasons, California has limited eligibility for in-home supportive services under Title XX to the aged, blind, and disabled. Any transference of service to Title XIX under current Title XIX regulations would mean we would have to make the service available to all AFDC and Medicaid recipients. This increases the cost to the taxpayer without in any way furthering our aim of reducing institutionalization.

What we would like to propose, in bringing these items to your attention, is that Title XIX and Title XVI regulations be changed to more appropriately allow for in-home services or that at a minimum California be granted waivers on these areas so that we can assess the effect of a concerted Title XIX and Title XX effort to limit unnecessary institutionalization. Since the savings in such a program would be to Title XIX, we feel that the cost of in-home care should be paid from Title XIX. This would free additional Title XX funds that could be used to provide those types of in-home care that could not be covered under Title XIX and any other services the person might need.

We will anticipate hearing from you shortly regarding our concerns in this area and our proposals.

Sincerely,

JAL:gi

ORIGINAL SIGNED BY

MARIO G. OBLEDO

Secretary

bcc: Josiah Beeman
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Office of the Auditor General

cc: Members of the Legislature
Office of the Governor
Office of the Lieutenant Governor
Secretary of State
State Controller
State Treasurer
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Director of Finance
Assembly Office of Research
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